



State FY24/25 Capital Budget Proposal

Section 10 Lines 116 & 117

SENATE INSTITUTIONS COMMITTEE

ERIC BLATT, DEPT OF ENVIRONMENTAL CONSERVATION

MARCH 15, 2023

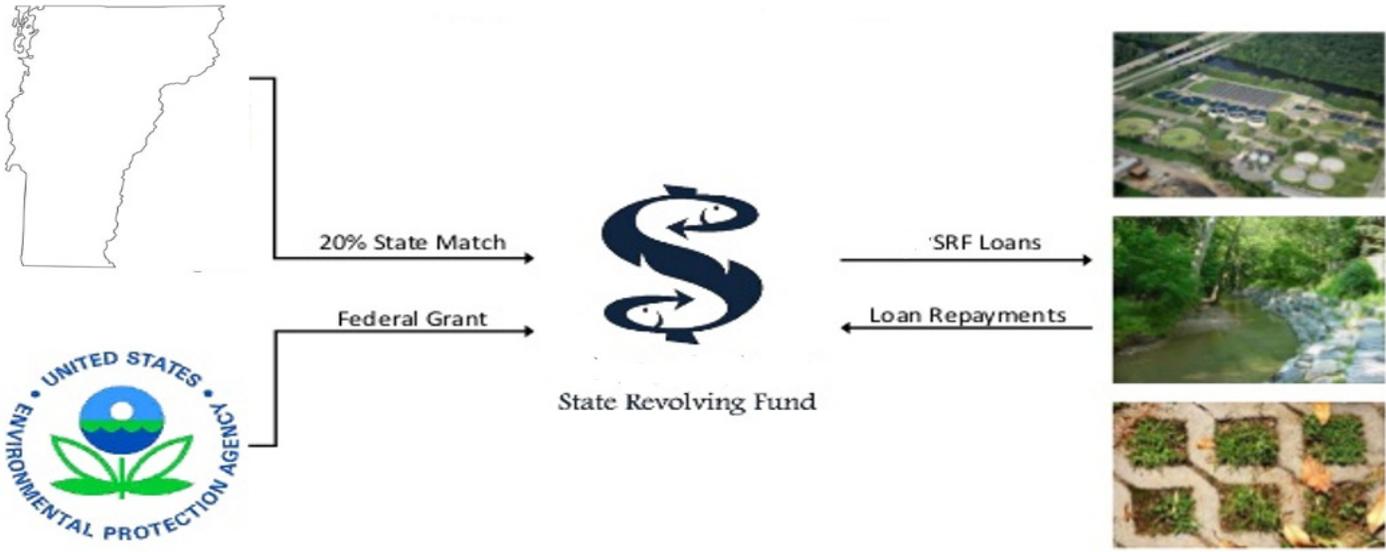
Section 10 – Capital Budget Proposal CWSRF Match and Pollution Control Grants

Section 10 Clean Water

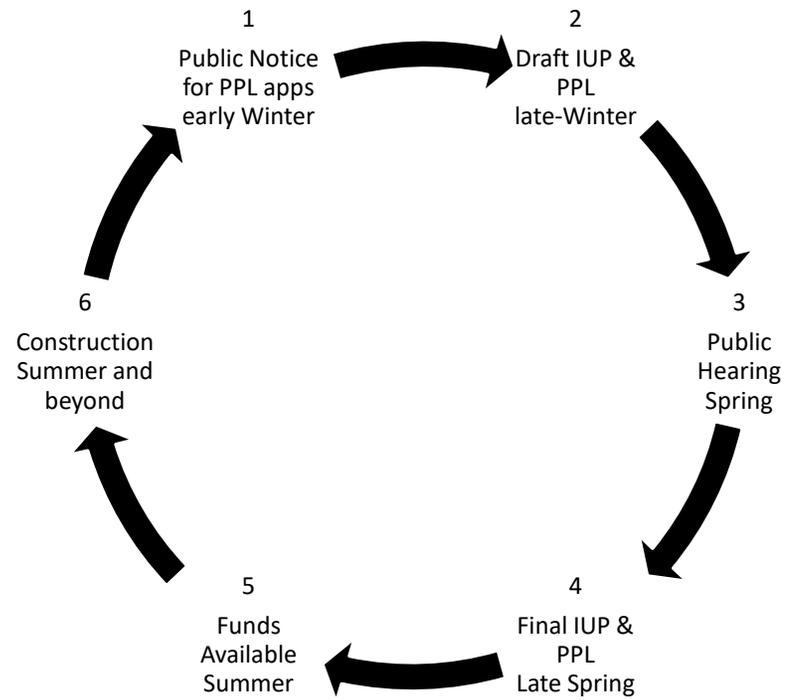
- ▶ Line 116 CWSRF 20% State Match.....\$332,981
Balance needed to fully match FFY23 Base Grant

- ▶ Line 117 Municipal Pollution Control Grants.....\$10,000,000
Requesting One-Time Non-Bonded \$s for the Capital Expenditure Cash Fund

Vermont EPA CW & DW Revolving Funds



SRF Funding Cycle



Uses and Administration of the CWSRF

CWSRF (See also description on Page 57 of the Budget Proposal)

- ▶ Planning & Construction loans for Municipal Wastewater, Stormwater, Combined Sewer Overflows – includes plant refurbishment and treatment upgrades, collection system rehab
- ▶ Planning & Construction Loans for Private Clean Water Projects
- ▶ Can use up to 2% for Technical assistance and 4% for Loan Administration
- ▶ Program was authorized in 1987 and has continuously received annual federal grants since.
- ▶ Enabling state law is at 24 VSA Chapter 120
- ▶ Vermont Bond Bank and Vermont Economic Development Authority Underwrite CWSRF Loans

CWSRF Loan Terms

- ▶ 30 Year max term and cannot exceed useful life of funded project
- ▶ Current municipal loan rate is 0% interest plus up to 2% admin fee
- ▶ Current private loan rate is 0% interest plus up to 2.75% admin fee
- ▶ Awaiting EPA Base Grant Allotment, but if similar to prior year, expect subsidy of 10% minimum and 40% maximum for municipal recipients
- ▶ Two broad categories of subsidy – 10% unrestricted and 30% must go to systems that lack affordability ~ \$0.37M to \$1.48M
- ▶ Affordability based on community median household income, user rate, unemployment, population trend, and unforeseen hardship

CWSRF Base Grant and State Match

Clean Water Federal SRF Base Grants and State Match Schedule (7/1/23 - 6/30/25)

Last Updated 2/7/2023

DEC - Eric Blatt, Water Investment Division

1	2	3	4	5	6
Annual Federal CWSRF Grants Award Schedule	Federal Grant	State Match Required 20%	State Match Previously Appropriated	Requested State Match Appropriation	
				FY24	FY25
Pollution Control Loan Funds (CWSRF)					
FFY23 EPA CWSRF Grant (available 10/1/22 - 9/30/24)	3,717,555	743,511	412,019	331,492	
FFY24 EPA CWSRF Grant (available 10/1/23 - 9/30/25)	7,780,000	1,556,000			See note below
Total CWSRF FFY23 - FFY24	11,497,555	2,299,511	412,019	331,492	
Estimated Bond Cost				1,489	
Appropriation Needed				332,981	

Note: The FFY24 Grant amount shown assumes no reduction due to Congressionally Directed Spending (CDS project earmarks) and funding level returns to recent historical level prior to CDS in FFY22. State match requirement is 20% and any future request is subject to the Clean Water Board review process.

CWSRF: Projected Available Funds SFY24

\$3.7M

**FFY23 FEDERAL BASE
GRANT**

\$11.3M

**FFY23 FEDERAL
SUPPLEMENTAL
GRANTS**

\$1.8M

**STATE MATCH SFY23
CW (Base and IJA
Supplemental)**

Additional Sources:

Carry forward funds from SFY 23 IUP: \$TBD

Repayments during SFY 24: Approximately \$10M

Anticipated State FY24 Municipal Pollution Control Grants

- ▶ \$10M for qualifying projects on the SFY24 Project Priority List (PPL)
- ▶ Grants range from 10% to 35% of eligible cost for projects that qualify
- ▶ Applications for inclusion on the SFY24 PPL were due by 3/1/2023
- ▶ 108 applications received and still under review
- ▶ Some projects on SFY23 PPL that qualify for grants and did not proceed reapplied for the SFY24 PPL
- ▶ <https://anrweb.vt.gov/DEC/IronPIG/DownloadFile.aspx?DID=196693&DVID=0> (Refer to Page 45 of the IUP for the SFY PPL)

SFY24 Pollution Control Projects Applications with Bond Votes Passed



Draft Summary of a Subset of Priority List Applications - State Fiscal Year 2024 Pollution Control Grants			
Municipality	Project Description	Estimated Cost	Estimated Grant
Rutland	Moon Brook Pond Modifications Project - Thermal Pollution	1,570,000	44,000
Rutland	Meadow Street Stormwater Separation	1,195,600	71,127
Colchester	Malletts Bay Sewer Project - Phase 1	8,296,700	914,500
Montgomery	Town of Montgomery Center Wastewater Infrastructure	9,624,948	1,088,281
Montgomery	Town of Montgomery Village Wastewater Infrastructure	7,779,816	1,099,219
Montpelier	Biosolids, Odor Control and Nutrient Facility Improvements	18,346,152	4,403,076
Island Pond	Brighton Wastewater Treatment Facility Refurbishment	5,171,263	199,822
Vergennes	Vergennes WWTF Age-Related Upgrade	11,206,092	387,397
Vergennes	Vergennes WWTF Hydraulic Upgrade	6,557,547	411,441
Vergennes	MacDonough Drive Pump Station Improvements	4,398,000	403,000
Vergennes	MacDonough Drive PS Force Main Improvements	3,357,400	853,320
Vergennes	Vergennes North Main Street Sewer Improvements	1,007,000	34,830
Burlington	Wastewater Treatment Facility Improvements	9,678,000	2,322,720
Burlington	Manhattan Outfall Repair	1,094,506	109,451
Winooski	Main Street Revitalization	8,073,361	161,336
Hinesburg	Hinesburg Wastewater Treatment Facility Upgrade Contract No. 2	12,700,000	1,778,000
Total		110,056,385	14,281,520

Note 1: Total number of priority list applications received is 108

Note 2: Table only includes projects that have passed a bond vote and have indicated project can proceed in SFY24

Note 3: Application deadline was 3/1/2023 and staff have not yet vetted all applications

Questions?

